CONGRESSIONAL SCHEDULE  NEW

Neither the House nor the Senate is in session today. The House next Tuesday, February 13, will begin three days of debate on a non-binding resolution condemning the President’s plan to increase troop levels in Iraq. The chamber also is expected to consider a bipartisan package that combines an increase in the minimum wage with several small-business tax cuts. The Senate next week plans to consider and complete work on the FY07 continuing resolution (CR). The following week, both chambers will be out of session for the Presidents Day recess.

BUDGET & APPROPRIATIONS

SENATE TO TAKE UP HOUSE-APPROVED FY07 CONTINUING RESOLUTION NEXT WEEK  UPDATED

The Senate next week will consider the FY07 CR (H.J. Res. 20), which was approved by the House on January 31. The current CR expires on February 15.

Senate Majority Leader Harry Reid (D-NV) filed cloture on the resolution yesterday, with a vote scheduled for Tuesday, February 13. CQToday reports that Senator Reid has left open the possibility that Republicans could offer amendments to the measure, which passed the House under a rule that allowed no amendments. Of concern to research universities is a potential amendment by Senator Kay Bailey Hutchison (R-TX) that would cut funding for all but defense, homeland security, and veterans programs by .73 percent across the board in order to fund base closures and realignment. Democratic leaders have offered to include the base realignment funding in the emergency supplemental appropriations bill later this year but some Republicans have challenged that as budget gimmickry. Other similar across-the-board amendments may be offered.
Although the FY07 continuing resolution (CR) would freeze funding for most domestic and foreign aid programs at their FY06 levels, the package developed by House and Senate appropriators and the Democratic leadership would provide added funding for a variety of health and research programs of importance to research universities.

The measure includes a $260 increase in the maximum Pell Grant—from $4,050 up to $4,310—and added funding for all three research agencies on which AAU institutions have focused their advocacy efforts: the National Institutes of Health (NIH), the National Science Foundation (NSF), and the Department of Energy (DOE) Office of Science. Additional funding also would be provided for research programs at the National Institute of Standards and Technology. Although the aeronautics account at NASA would receive an increase, funding for NASA science programs would drop slightly. (See CFR Weekly Wrap-up, 02-02-07 for additional details on these programs.)

Information about the CR, including a summary of its major provisions and the text, is available on the House Appropriations Committee Web site at: http://appropriations.house.gov/News/pr_070129.shtml.

EXECUTIVE BRANCH

FY08 BUDGET OFFERS A MIX OF INCREASES AND CUTS FOR RESEARCH AND EDUCATION PROGRAMS

The President’s FY08 budget released publicly on February 5 includes a mix of proposed budget increases and budget cuts for research and education programs of concern to research universities.

The budget would provide significant funding increases for the research agencies that are part of the President’s American Competitiveness Initiative (ACI), including the National Science Foundation and the Department of Energy Office of Science. It also calls for raising the Pell Grant maximum award from the current $4,050 to $4,600 in FY08 and by $200 a year thereafter until it reaches $5,400 in FY12.

On the other hand, the budget would provide $28.62 billion for the National Institutes of Health (NIH), which nets out to $511 million less than the amount provided in the FY07 CR that is pending in Congress. And while the budget would increase the maximum Pell Grant award, it would do so by reducing or eliminating funding for campus-based programs that also target low-income students.

Detailed budget analyses and funding charts prepared by AAU staff, as well as links to the Administration’s FY08 budget documents, are available on the AAU Web site at: http://www.aau.edu/budget/fy2008.cfm.

Scientific Research

- National Institutes of Health. The President’s FY08 request for NIH is $28.62 billion, which nets out to more than $500 million below the amount that Congress is poised to approve in FY07. Specifically, the President’s request would increase the global AIDS transfer from $99 million to $300 million, resulting in a net budget for NIH of $28.32 billion. In contrast,
the FY07 CR would provide the agency with $28.93 billion. With a smaller AIDS transfer of $99 million, the net budget for NIH in the FY07 CR is $28.83 billion.

- **National Science Foundation.** The FY08 budget request would provide $6.43 billion for NSF, an increase of $409 million above the FY07 request and $533 million above the amount provided in the FY07 CR. The request, a near seven-percent increase over the FY07 request, would keep the agency’s budget on-track to double over 10 years, as first proposed last year by the President under the American Competitiveness Initiative.

  Within the NSF total, the Research and Related Activities (R&RA) account would be funded at $5.13 billion, an increase of $366 million, or nearly eight percent, above the FY07 request level of $4.77 billion and $466 million above the amount in the FY07 CR. The Education and Human Resources account would receive $750.6 million, an increase of $34.4 million, or nearly five percent, over the FY07 budget request and about $50 million more than in the FY07 CR.

  The Major Research Equipment and Facilities and Construction Account would be funded at $245 million. That would be an increase of $4.3 million, or about two percent, over the FY07 budget request and $11 million more than in the FY07 CR.

- **Department of Energy, Office of Science:** The FY08 budget proposes $4.4 billion for the Office of Science. This is $296 million, or a little more than seven percent, above the FY07 request and $604 million, or nearly 16 percent, above the $5.9 billion provided in the FY07 CR. As with NSF, the proposed increase would keep the Office of Science budget on-track to double over 10 years, as the President proposed last year.

- **NASA.** The FY08 budget requests $10.48 billion for the Science, Aeronautics, and Exploration (SAE) account for NASA, a reduction of $167 million, or about two percent from the FY07 budget request, and $265 million above the FY07 CR. Within the FY08 SAE total, the Science Mission Directorate would receive $5.52 billion, an increase of $49.3 million, or one percent, above the FY07 budget request, and $265 million above the FY07 CR. The Aeronautics Research Mission Directorate would receive $554 million, an increase of $24.7 million, or about five percent, above the FY07 budget request, but $336 million less than provided in the FY07 CR.

  Education Programs (Cross-Agency Support Programs) would receive $153 million, a reduction of $13.7 million, or eight percent, below the FY07 budget request.

- **Department of Defense.** The President's FY08 budget request would provide $1.43 billion for Defense 6.1 Basic Research programs, a reduction of $135.6 million, or about nine percent, from the FY07 funding level of $1.56 billion. The request is $6.1 million, about half a percent, more than the request for basic research in FY07.

  For Defense 6.2 Applied Research programs, the budget proposes $4.36 billion. This is a reduction of $972.5 million, or about 18 percent, from the FY07 funding level of $5.33 billion. The FY08 budget request is $121.1 million, or about three percent, below the FY07 request.

- **National Endowment for the Humanities.** The President’s FY08 budget would provide $141 million for the National Endowment for the Humanities (NEH), an increase of about
$400,000 above the FY07 budget request and the amount provided in the FY07 CR. Within the FY08 total, the request for the *We the People* program is $15.2 million, the same as the FY07 request.

- **Department of Homeland Security.** The FY08 budget request for the Department of Homeland Security’s University Programs is $38.7 million, or $9.88 million below the FY07 enacted level.

DHS currently provides funding for seven university centers of excellence. The agency proposes to establish four more university centers in FY08 and extend the terms of some of the original centers. The budget indicates that the program also “will combine the missions of several of the centers and create consolidated centers to better align with the S&T Directorate research and development priorities.”

**Student Financial Aid**

- **Pell Grants.** The budget would increase the maximum Pell Grant award by nearly 14 percent, to $4,600 in 2008. The plan calls for increasing the maximum grant by $200 each year thereafter until it reaches $5,400 in 2012. The FY07 budget request called for freezing the maximum Pell Grant award at its current $4,050; the FY07 CR would raise the maximum grant to $4,310.

- **ACG/SMART Grants.** The FY08 budget proposes to increase funding for Academic Competitiveness Grants (ACG) and Science and Mathematics Access to Retain Talent (SMART) grants from $850 million to $1.2 billion in mandatory funding. Specifically, the budget would increase the maximum grant for ACG from $750 to $1,125 for first-year students and from $1,300 to $1,950 for second-year students.

- **Campus-Based Programs.** The FY08 budget proposes to eliminate several student aid programs, including the Perkins Loan program, Federal Supplemental Educational Opportunity Grants (SEOG), and the Leveraging Educational Assistance Partnerships (LEAP). Overall, the Department of Education proposes to eliminate 44 programs, for projected savings of $2.2 billion.

- **GAANN:** The budget would level-fund the Graduate Assistance in Areas of National Need program at $30.1 million, providing 702 fellowships. A 2006 reassessment of the program was completed and showed “improvements in program management and performance.”

- **Javits Fellowships:** The budget would level-fund the Jacob K. Javits Fellowship program at $9.8 million. This would support 226 fellowships in academic year 2009-2010, including 72 new fellows.

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